

Message Text

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ACTION EUR-12

INFO OCT-01 AF-10 ARA-06 EA-07 NEA-10 IO-13 ISO-00
EURE-00 SSO-00 SS-15 INRE-00 NSCE-00 USIE-00
AID-05 CEA-01 CIAE-00 COME-00 EB-07 FRB-03 INR-07
NSAE-00 OPIC-03 SP-02 TRSE-00 LAB-04 EPG-02
SIL-01 AGRE-00 OMB-01 FEAE-00 L-03 ABF-01 OIC-02
/116 W

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O R 121326Z MAY 77
FM USMISSION OECD PARIS
TO SECSTATE WASH DC IMMEDIATE 6599
INFO ALL OECD CAPITALS
AMEMBASSY ALGIERS
USINT BAGHDAD
AMEMBASSY BELGRADE
AMEMBASSY BRASILIA
AMEMBASSY BUENOS AIRES
AMEMBASSY CAIRO
AMEMBASSY CARACAS
USDEL MTN GENEVA
USMISSION GENEVA
AMEMBASSY ISLAMABAD
AMEMBASSY JAKARTA
AMEMBASSY JIDDA
AMEMBASSY KINGSTON
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USMISSION USUN
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E.O. 11652: GDS
TAGS: OECD, CIEC, EGEN, ETRD, EFIN, EAID, ENRG
SUBJECT: G-8 HORIZONTAL MEETINGS MAY 10-11

1. SUMMARY: HORIZONTAL G-8 MET AT HEAD OF DEL
DINNER EVENING OF MAY 10 AND IN REGULAR SESSION

MORNING OF MAY 11. EVENING SESSION REACHED AGREEMENT ON TACTICS FOR HANDLING ISSUES OF ODA, SPECIAL ACTION, COMMON FUND AND ONGOING ENERGY DIALOGUE AND EXCHANGED VIEWS ON FORM OF FINAL CIEC PACKAGE. AT MORNING MEETING DELS ELABORATED THEIR PRESENT POSITIONS ON SUBSTANCE OF SPECIAL ACTION PROPOSAL AND DISCUSSED NATURE OF PREPARATIONS FOR SENIOR OFFICIALS' MEETING, INCLUDING POSSIBILITY OF BILATERAL DEMARCHES IN G-19 CAPITALS AFTER CONTACT GROUPS FINISH WORK. UNDER SECRETARY COOPER ATTENDED ONLY THE EVENING SESSION. BOSWORTH WAS PRESENT AT BOTH MEETINGS. END SUMMARY.

EVENING SESSION

2. TACTICS ON KEY ISSUES

A. ODA: G-8 AGREED TO TABLE DRAFT THIS WEEK, WITH KNOWLEDGE THAT OFFER MIGHT HAVE TO BE ENRICHED SLIGHTLY AT THE END OF THE MONTH.

B. SPECIAL ACTION: G-8 WILL WORK OUT MODALITIES AND OTHER KEY ELEMENTS THIS WEEK SO AS TO BE IN POSITION TO OUTLINE PROPOSAL ORALLY TO G-19 BEFORE LEAVING PARIS. NO DRAFT WILL BE TABLED HOWEVER (SEE REPORT OF G-8 POSITIONS ON SUBSTANCE OF SPECIAL ACTION PROPOSAL BELOW).

C. COMMON FUND: G-8 WILL WORK ON LANGUAGE ALONG LINES OF ROME FORMULA BUT NOT TABLE THIS WEEK ON GROUNDS THAT THIS WOULD FREEZE G-19 NEGATIVELY ON G-8'S MAXIMUM POSITION. G-8 WILL CONFIDENTIAL

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EXPLAIN TO G-19 THAT IT IS STILL SORTING OUT VIEWS AFTER LONDON SUMMIT BUT INDICATE ORALLY THAT POLITICAL ACT ON COMMON FUND IS ENVISAGED. (EC WAS CONTEMPLATING TABLING TEXT THIS WEEK BUT THIS WAS NOT ACCEPTED BY REST OF G-8.)

D. ONGOING ENERGY DIALOGUE: NO PROPOSAL WILL BE TABLED THIS WEEK AND DECISION ON ENERGY-EXCLUSIVE ONGOING DIALOGUE WILL ONLY BE MADE BY MINISTERS.

E. PURCHASING POWER AND COMPENSATORY FINANCE: G-8 TABLED TEXTS (TRANSMITTED SEPTTEL) MAY 11. INITIAL INFORMAL G-19 REACTION, PARTICULARLY ON PURCHASING POWER, WAS COOL. G-19 CONTACT GROUP COORDINATOR SAID TEXT ON PURCHASING POWER--ON WHICH G-8 AGREEMENT WAS OBTAINED WITH GREAT DIFFICULTY--WAS A STEP BACK FROM NAIROBI.

F. OTHER ISSUES: NEGOTIATIONS ON THESE WILL NOT CONTINUE BEYOND MAY 14. QUESTION OF SUPPLY ACCESS WAS DISCUSSED IN DETAIL AT DINNER MEETING, REVEALING CONTINUING WIDE DIVERGENCE BETWEEN EC AND CANADA/AUSTRALIA

(EACH OF WHICH ACCUSED OTHER OF TRYING TO USE CIEC TO SOLVE PROBLEMS BETWEEN DEVELOPED COUNTRIES). IT WAS AGREED IT SHOULD BE POSSIBLE TO DEVELOP LANGUAGE WHICH WAS NEUTRAL AND DID NOT PREJUDICE EITHER SIDE'S POSITION IN MTN.

3. SHAPE OF FINAL CIEC PACKAGE

CANADIANS INTEND TAKE LINE WITH G-19 CO-CHAIRMAN, THAT FINAL DECLARATION SHOULD CITE 8-12 MOST IMPORTANT

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O R 121326Z MAY 77
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AGREEMENTS REACHED IN CONTACT GROUPS AND NOT TRY TO
SUMMARIZE SUBSTANCE OF AGREEMENT ON THEM. CONTACT
GROUP
TEXTS WILL BE ANNEXED TO DECLARATION. CANADIANS AND
VENEZUELAN WILL DISCUSS THIS NEXT WEEK (DATE HAS NOT
YET BEEN FIXED) AND G-8 ARE ASKED TO PROVIDE
CANADIANS WITH ANY THOUGHTS AND CONTRIBUTIONS BY
MAY 14.

MORNING SESSION

4. SPECIAL ACTION: CANADIAN CO-CHAIRMAN (DUPUY)
POINTED OUT THAT THERE WERE FOUR ASPECTS TO THIS
PROPOSAL--THE PRINCIPLE OF ACTUALLY ORGANIZING A
SPECIAL ACTION, THE VOLUME, THE MODALITIES, AND THE
DISTRIBUTION OF CONTRIBUTIONS AMONG THE EIGHT. HE
ASKED FOR RUNDOWN ON PRESENT STATE OF G-8 POSITIONS.
JAPAN COULD AGREE TO PRINCIPLE OF SPECIAL ACTION,
BUT COULD NOT YET TAKE DEFINITIVE POSITIONS ON
OTHER ASPECTS. JAPAN "HAD NOT APPRECIATED" EC'S
FORMULATION OF BURDEN-SHARING (AND THOUGHT IDA KEY
TOO VAGUE TO SERVE AS BASIS FOR DISTRIBUTION
AMONG THE SIX). NONETHELESS, JAPAN
WAS PREPARED TO DISCUSS ISSUES WITHIN G-8. WHILE
AGREEING TO DISCUSS SPECIAL ACTION, SWEDEN (COLLIANDER)
NOTED THAT FINAL INSTRUMENT WOULD PROBABLY RELATE
SPECIAL ACTION MORE CLOSELY TO RESOURCE TRANSFER
THAN TO DEBT RELIEF. SWEDEN WAS ALREADY AT 0.7
PERCENT ODA TARGET AND WANTED TO DO SOMETHING ON
DEBT. NEVERTHELESS, SWEDEN WOULD PARTICIPATE
ACTIVELY IN G-8 DISCUSSIONS OF SPECIAL ACTION.
CANADA AGREED ON PRINCIPLE AND VOLUME, BUT WAS
INCLINED TO EXTEND THE SPECIAL ACTION BILATERALLY
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(BECAUSE OF CONSIDERATIONS OF BALANCE IN CANADA'S BILATERAL/MULTILATERAL AID) AND HAD RESERVATIONS CONCERNING USE OF IDA KEY AS BASIS, SINCE CANADA WAS A HEAVY CONTRIBUTOR TO IDA. SPAIN COULD NOT TAKE DEFINITIVE POSITIONS ON ANY OF FOUR ELEMENTS OF SPECIAL ACTION, BUT VALLAURE INDICATED THAT SPAIN WAS INCLINED TO FAVOR IDA KEY AS BASIS FOR CONTRIBUTIONS AND COULD ACCEPT THE MULTILATERAL CHANNEL. AUSTRALIA (DONOVAN) ALSO INDICATED INABILITY TO TAKE POSITION NOW ON ANY ELEMENT OF SPECIAL ACTION. EC REITERATED POSITION THAT SPECIAL ACTION SHOULD BE IN FAST-DISBURSING FORM AND SAID THAT SINCE UNIFORM MULTILATERAL CHANNEL SEEMED UNLIKELY, A MECHANISM TO REVIEW DISBURSEMENT OF SPECIAL ACTION WOULD BE NEEDED. BOSWORTH HAD NOTHING TO ADD TO COOPER'S STATEMENT OF U.S. POSITION (AGREEMENT IN PRINCIPLE, NECESSITY TO CONTRIBUTE THRU BILATERAL CHANNELS, AND WILLINGNESS TO CONSIDER CONTRIBUTION OF AROUND \$300 MILLION). DUPUY SUMMARIZED STATE OF PLAY BY NOTING THAT A GENERAL CONSENSUS WAS EMERGING ON THE FIRST TWO OF THE ELEMENTS (PRINCIPLE AND VOLUME); ON THE THIRD (MODALITIES), IT SEEMED CLEAR THAT BILATERAL AS WELL AS MULTILATERAL CHANNELS WOULD BE REQUIRED; ON THE ALLOCATION OF CONTRIBUTIONS, NO AGREEMENT HAD YET BEEN REACHED. UPSHOT OF DISCUSSION WAS THAT G-8 WILL COORDINATE FURTHER ON THIS ISSUE IN DEVELOPMENT COMMISSION VERTICAL G-8 WITH A VIEW TO POSSIBLY OUTLINING ORALLY CONTOURS OF THE G-8 PROPOSAL TO G-19 AT END OF WEEK.

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O R 121326Z MAY 77

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5. CONTACTS WITH G-19 IN CAPITALS:

G-8 HEARD SYMPATHETICALLY US PROPOSAL (PUT FORWARD BY COOPER AT DINNER AND ELABORATED BY BOSWORTH IN MORNING) FOR ANOTHER ROUND OF APPROACHES TO G-19 IN CAPITALS. CONCEPT WAS TO GET TO HIGH LEVELS (PREFERABLY G-19 REPS TO MINISTERIAL) AN EXPOSITION OF G-8 POSITIONS UNFILTERED BY G-19 DELEGATIONS IN FARIS. APPROACHES WOULD BUILD ON APRIL MESSAGES AND PROVIDE SOME INDICATION OF SPECIFIC ELEMENTS OF EMERGING G-8 POSITION ON SUCH KEY TOPICS AS COMMON FUND, ODA, SPECIAL ACTION, AND ONGOING MECHANISM FOR ENERGY CONSULTATIONS.

WHILE G-8 DELS WERE GENERALLY UNINSTRUCTED, THEY WERE PERSONALLY SYMPATHETIC TO IDEA. SEVERAL STRESSED IMPORTANCE OF CLOSE COORDINATION. THERE

WAS SOME INCONCLUSIVE DISCUSSION OF HOW APPROACHES MIGHT BE MADE (E.G. BY CANADIANS FOR WHOLE GROUP, COORDINATED APPROACHES BY ONE OR SEVERAL G-8 MEMBERS, ETC.). THE SWISS WANTED APPROACHES TO INDICATE ELEMENTS OF RECIPROCITY DESIRED FROM G-19, AND WONDERED IF G-8 VIEWS WERE SUFFICIENTLY COORDINATED AT THIS POINT.

DUPUY CONCLUDED THIS TOPIC BY MAKING FOLLOWING COMMENTS: G-8 COORDINATION ON APPROACHES NEEDED TO AVOID TWO PITFALLS--THE APPEARANCE OF ISSUING G-8 ULTIMATA ON ONE HAND, AND THE ENGAGEMENT IN A MUTUAL BEAUTY CONTEST (REVEALING MOST ATTRACTIVE ELEMENTS OF INDIVIDUAL COUNTRY POSITIONS) ON THE OTHER. COORDINATION SHOULD BE VERY CLOSE, AND INFORMATION SHOULD BE EXCHANGED VERY RAPIDLY THROUGH CANADIAN CO-CONFIDENTIAL

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CHAIRMAN; NO APPROACHES SHOULD BE MADE WITHOUT INFORMING CANADIANS; CANADIANS WERE DISPOSED TO PLAY THE ROLE IN THESE APPROACHES WHICH HAD BEEN SUGGESTED (BY BUTLER) FOR THEM. CANADIANS THOUGHT NO BILATERAL APPROACHES SHOULD BE UNDERTAKEN UNTIL AFTER CANADIAN AND VENEZUELAN CO-CHAIRMAN MEET NEXT WEEK.

THERE WAS NO DISSENT ON THESE POINTS, BUT DISCUSSION WAS CLEARLY UNDERSTOOD TO BE PRELIMINARY.

6. FURTHER MEETINGS OF G-8 AT HORIZONTAL LEVEL:

G-8 WILL PROBABLY MEET AGAIN AT END OF THIS WEEK, PRESUMABLY ON SATURDAY MAY 14. IN ADDITION, MEETING OF G-8 PRIOR TO OPENING OF SENIOR OFFICIALS SESSION SCHEDULED TO BEGIN 10 A.M. MAY 25. (G-8 WILL NOT MEET BETWEEN MAY 14 AND MAY 25 UNLESS "EMERGENCY" ARISES.)

7. TIME OF OPENING OF MINISTERIAL:

DUPUY ANNOUNCED CO-CHAIRMEN HAD AGREED 1977 MINISTERIAL WOULD FOLLOW FORMAT OF INITIAL CIEC MINISTERIAL IN 1975. THUS FIRST SESSION, WHICH WILL BEGIN AT 11 A.M. MAY 30, WILL BE LARGELY CEREMONIAL, WITH ACTUAL WORKING SESSIONS BEGINNING THE AFTERNOON OF MAY 30.

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Message Attributes

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Type: TE
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